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BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE
APPLICATION OF BERMUDA WATER
COMPANY, AN ARIZONA
CORPORATION, FOR A
DETERMINATION OF THE FAIR
VALUE OF ITS UTILITY PLANTS AND
PROPERTY AND FOR INCREASES IN
ITS WATER RATES AND CHARGES
FOR UTILITY SERVICE BASED
THEREON.

DOCKET NO: W-01812A-15-0421

NOTICE OF ERRATA

Bermuda Water Company, Inc., ("Bermuda") hereby files this Notice of Errata for the application filed in the above-captioned matter. Page 3 of the original application contains errors in Paragraphs 7 with respect to Bermuda's adjusted gross revenues, adjusted operating income, operating income deficiency, adjusted original cost rate base and rate of return during the test year ending August 31, 2015. Paragraph 9 contains errors with respect to the requested increase in revenue. Attached hereto as Exhibit 1 is a new Page 3 containing the correct figures.

RESPECTFULLY SUBMITTED this 7th day of January, 2016.

FENNEMORE CRAIG, P.C.

Arizona Corporation Commission

DOCKETED

JAN 07 2016


DOCKETED BY

By

Patrick J. Black
2394 E. Camelback Road
Suite 600
Phoenix, Arizona 85016
Attorneys for Bermuda Water Company,
Inc.

1 ORIGINAL and fifteen (15) copies of the
2 foregoing, together with the direct testimonies
3 and schedules supporting
4 this application, were delivered
5 this 7th day of January, 2016, to:

6 Docket Control
7 Arizona Corporation Commission
8 1200 W. Washington St.
9 Phoenix, AZ 85007

10 By: 
11 _____
12 11199787/029232.0006

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EXHIBIT 1

1 on the fair value of its property. Bermuda agrees to use its original cost rate base as its
2 fair value rate base in this proceeding to minimize disputes and reduce rate case expense.

3 6. Filed concurrently herewith are the schedules required pursuant to A.A.C.
4 R14-2-103. The test year utilized by Bermuda in connection with the preparation of such
5 schedules is the 12-month period that ended August 31, 2015. Bermuda requests that the
6 Commission utilize such test year in connection with this Application, with appropriate
7 adjustments to obtain a normal or more realistic relationship between revenues, expenses
8 and rate base during the period in which the rates established in this proceeding are in
9 effect.

10 7. During the test year, Bermuda's adjusted gross revenues were \$3,499,142.
11 The adjusted operating income was \$498,174, leading to an operating income deficiency
12 of \$502,165. The adjusted original cost rate base was \$10,003,394. Thus, the rate of
13 return during the test year was 4.98 percent.

14 8. Bermuda submits that the overall rate of return to Bermuda is too low to
15 allow it to pay reasonable dividends, maintain a sound credit rating, and/or enable
16 Bermuda to attract additional capital on reasonable and acceptable terms in order to
17 continue the investment in utility plant necessary to adequately serve customers.

18 9. Bermuda is requesting an increase in revenues equal to \$809,422,
19 representing an increase in revenues of 23.8 percent. The adjustments to Bermuda's rates
20 and charges that are proposed herein, when fully implemented, will produce a rate of
21 return on the fair value rate base equal to 10.0 percent.

22 10. Filed concurrently in support of this Application is the Direct Testimony of
23 Wendolyn S.W. Barnett, providing an overview of Bermuda and discussing Bermuda's
24 improvements since the last rate decision, attached hereto as Attachment 1. Also filed is
25 the Direct Testimony of Jason Martin that collectively provide an overview of Bermuda's
26 rate filing, discussion of the revenue requirement, including the "A" through "F"